

Commodity Futures Modernization Act of 2000, and not as part of the Commodity Exchange Act which comprises this chapter.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1a, 2, 7a–1, 16, 27, 27d, 27f of this title; title 15 section 78c.

§ 27f. Contract enforcement

(a) Hybrid instruments

No hybrid instrument shall be void, voidable, or unenforceable, and no party to a hybrid instrument shall be entitled to rescind, or recover any payment made with respect to, a hybrid instrument under any provision of Federal or State law, based solely on the failure of the hybrid instrument to satisfy the predominance test set forth in section 27c(b) of this title or to comply with the terms or conditions of an exemption or exclusion from any provision of the Commodity Exchange Act [7 U.S.C. 1 et seq.] or any regulation of the Commodity Futures Trading Commission.

(b) Covered swap agreements

No covered swap agreement shall be void, voidable, or unenforceable, and no party to a covered swap agreement shall be entitled to rescind, or recover any payment made with respect to, a covered swap agreement under any provision of Federal or State law, based solely on the failure of the covered swap agreement to comply with the terms or conditions of an exemption or exclusion from any provision of the Commodity Exchange Act [7 U.S.C. 1 et seq.] or any regulation of the Commodity Futures Trading Commission.

(c) Preemption

Sections 27 to 27f of this title shall supersede and preempt the application of any State or local law that prohibits or regulates gaming or the operation of bucket shops (other than anti-fraud provisions of general applicability) in the case of—

- (1) a hybrid instrument that is predominantly a banking product; or
- (2) a covered swap agreement.

(Pub. L. 106–554, §1(a)(5) [title IV, §408], Dec. 21, 2000, 114 Stat. 2763, 2763A–461.)

REFERENCES IN TEXT

The Commodity Exchange Act, referred to in subsecs. (a) and (b), is act Sept. 21, 1922, ch. 369, 42 Stat. 998, as amended, which is classified generally to this chapter. For complete classification of this Act to the Code, see section 1 of this title and Tables.

CODIFICATION

Section was enacted as part of the Legal Certainty for Bank Products Act of 2000, and also as part of the Commodity Futures Modernization Act of 2000, and not as part of the Commodity Exchange Act which comprises this chapter.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1a, 2, 7a–1, 16, 27, 27d of this title; title 15 section 78c.

CHAPTER 2—COTTON STANDARDS

Sec.

51. Short title.

Sec.

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52. Use of nonofficial standards prohibited; sales by sample excepted.
53. Licensing classifiers; revocation and suspension of license.
54. Classification by Department of Agriculture; certification thereof; effect of certificate; regulations for classification.
55. Fees and charges for cotton classing and related services; criteria; disposition of monies and samples.
56. Establishment of cotton standards; furnishing copies of established standards sold.
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58. General inspection and sampling of cotton.
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64. Appropriation for expenses; appointment by Secretary of officers and agents; compensation.
65. Separability.

CHAPTER REFERRED TO IN OTHER SECTIONS

This chapter is referred to in sections 15b, 61a of this title.

§ 51. Short title

This chapter shall be known by the short title of “United States Cotton Standards Act.”

(Mar. 4, 1923, ch. 288, §1, 42 Stat. 1517.)

EFFECTIVE DATE

Section 14 of act Mar. 4, 1923, provided: “That this Act [enacting this chapter] shall become effective on and after Aug. 1, 1923.”

§ 51a. Extension of classification facilities to cotton growers

The Secretary of Agriculture is requested to extend to cotton growers facilities for the classification of cotton authorized in this chapter, with such supervision of licensed classifiers as he shall deem necessary under authority of the United States Cotton Futures Act.

(Mar. 4, 1933, ch. 284, §1, 47 Stat. 1621.)

REFERENCES IN TEXT

The United States Cotton Futures Act, referred to in text, is part A of act Aug. 11, 1916, ch. 313, 39 Stat. 476, as amended, which was repealed by section 4 of act Feb. 10, 1939, ch. 2, 53 Stat. 1. For complete classification of this Act to the Code prior to its repeal, see Tables.

CODIFICATION

This section was not enacted as part of the United States Cotton Standards Act which comprises this chapter.

§ 51a–1. Contracts with cooperatives furnishing classers; amount and type of payment

On and after July 5, 1952 the Secretary may contract with cooperatives furnishing classers

and other facilities for classing cotton and may pay for such services in amount, some part of which may be in kind, not in excess of the value of the samples.

(July 5, 1952, ch. 574, title I, § 101, 66 Stat. 349.)

CODIFICATION

Section was enacted as part of the Department of Agriculture Appropriation Act, 1953, and not as part of the United States Cotton Standards Act which comprises this chapter.

§ 51b. Licensing samplers; revocation and suspension of license

Further to carry out the purposes of this chapter the Secretary of Agriculture is authorized to issue to any qualified person, upon presentation of satisfactory evidence of competency, a license to sample cotton. Any such license may be suspended or revoked by the Secretary of Agriculture whenever he is satisfied that such licensee is incompetent or has knowingly or carelessly sampled cotton improperly, or has violated any provision of this chapter or the regulations thereunder so far as the same may relate to him, or has used his license, or allowed it to be used, for any improper purpose. The Secretary of Agriculture may prescribe by regulation the conditions under which licenses may be issued hereunder, and may require any licensed sampler to give bond for the faithful performance of his duties and for the protection of persons affected thereby and may prescribe the conditions under which cotton shall be sampled by licensed samplers for the purpose of classification by officers of the Department of Agriculture, or by licensed cotton classifiers.

(Mar. 4, 1933, ch. 284, § 2, 47 Stat. 1621.)

CODIFICATION

This section was not enacted as part of the United States Cotton Standards Act which comprises this chapter.

§ 52. Use of nonofficial standards prohibited; sales by sample excepted

It shall be unlawful (a) in or in connection with any transaction or shipment in commerce made after August 1, 1923, or (b) in any publication of a price or quotation determined in or in connection with any transaction or shipment in commerce after August 1, 1923, or (c) in any classification for the purposes of or in connection with a transaction or shipment in commerce after August 1, 1923, for any person to indicate for any cotton a grade or other class which is of or within the official cotton standards of the United States then in effect under this chapter by a name, description, or designation, or any system of names, description, or designation not used in said standards: *Provided*, That nothing herein shall prevent a transaction otherwise lawful by actual sample or on the basis of a private type which is used in good faith and not in evasion of or substitution for said standards.

(Mar. 4, 1923, ch. 288, § 2, 42 Stat. 1517.)

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 60 of this title.

§ 53. Licensing classifiers; revocation and suspension of license

The Secretary of Agriculture may, upon presentation of satisfactory evidence of competency, issue to any person a license to grade or otherwise classify cotton and to certificate the grade or other class thereof in accordance with the official cotton standards of the United States. Any such license may be suspended or revoked by the Secretary of Agriculture whenever he is satisfied, after reasonable opportunity afforded to the licensee for a hearing, that such licensee is incompetent or has knowingly or carelessly classified cotton improperly, or has violated any provision of this chapter or the regulations thereunder so far as the same may relate to him, or has used his license or allowed it to be used for any improper purpose. Pending investigation the Secretary of Agriculture, whenever he deems necessary, may suspend a license temporarily without a hearing.

(Mar. 4, 1923, ch. 288, § 3, 42 Stat. 1517.)

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 55 of this title.

§ 54. Classification by Department of Agriculture; certification thereof; effect of certificate; regulations for classification

Any person who has custody of or a financial interest in any cotton may submit the same or samples thereof, drawn in accordance with the regulations of the Secretary of Agriculture, to such officer or officers of the Department of Agriculture, as may be designated for the purpose pursuant to the regulations of the Secretary of Agriculture for a determination of the true classification of such cotton or samples, including the comparison thereof, if requested, with types or other samples submitted for the purpose. The final certificate of the Department of Agriculture showing such determination shall be binding on officers of the United States and shall be accepted in the courts of the United States as prima facie evidence of the true classification or comparison of such cotton or samples when involved in any transaction or shipment in commerce. The Secretary of Agriculture shall fix rules and regulations for submitting samples of cotton for classification providing that all samples shall be numbered so that no one interested in the transaction involved shall be known by any classifier engaged in the classification of such cotton samples.

(Mar. 4, 1923, ch. 288, § 4, 42 Stat. 1517.)

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 55, 58 of this title.

§ 55. Fees and charges for cotton classing and related services; criteria; disposition of moneys and samples

(a) The Secretary of Agriculture shall cause to be collected such fees and charges for licenses issued to classifiers of cotton under section 53 of this title, for determinations made under section 54 of this title, and for the establishment of standards and sale of copies of standards under

sections 56, 57, and 57a of this title, as will cover, as nearly as practicable, and after taking into consideration net proceeds from any sale of samples, the costs incident to providing services and standards under such sections, including administrative and supervisory costs. The Secretary may provide by regulation conditions under which cotton samples submitted or used in the performance of services authorized by this chapter shall become the property of the United States and may be sold with the proceeds credited to the foregoing account: *Provided*, That such cotton samples shall not be subject to the provisions of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.). Any fees or charges, late payment penalties, or proceeds from the sales of samples collected under this subsection, and any interest earned through the investment of such funds shall be credited to the current appropriation account that incurs the costs of the services provided under this chapter, and shall remain available without fiscal year limitation to pay the expenses of the Secretary incident to providing services and standards under this chapter and section 15b of this title. Such funds may be invested by the Secretary in insured or fully collateralized, interest-bearing accounts or, at the discretion of the Secretary, by the Secretary of the Treasury in United States Government debt instruments.

(b) The price established by the Secretary of Agriculture under the foregoing provisions of this section for practical forms representing the official cotton standards of the United States shall cover, as nearly as practicable, the estimated actual cost to the Department of Agriculture for developing and preparing such practical forms.

(Mar. 4, 1923, ch. 288, §5, 42 Stat. 1518; Pub. L. 97-35, title I, §156(a), Aug. 13, 1981, 95 Stat. 373; Pub. L. 100-518, §4, Oct. 24, 1988, 102 Stat. 2587.)

REFERENCES IN TEXT

The Federal Property and Administrative Services Act of 1949, referred to in subsec. (a), is act June 30, 1949, ch. 288, 63 Stat. 377, as amended. The provisions of that Act relating to management and disposal of government property are classified to chapter 10 (§471 et seq.) of Title 40, Public Buildings, Property, and Works. For complete classification of this Act to the Code, see Short Title note set out under section 471 of Title 40 and Tables.

AMENDMENTS

1988—Subsec. (a). Pub. L. 100-518 included late payment penalties, proceeds, and interest within amounts to be credited to current appropriation account and remain available until expended, and authorized investment of such funds in certain interest-bearing accounts or debt instruments.

1981—Pub. L. 97-35 designated existing provisions as subsec. (a), substituted provisions requiring Secretary to cause to be collected fees and charges, for provisions authorizing Secretary to cause to be collected charges, and added subsec. (b).

EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-35 effective Oct. 1, 1981, see section 156(e) of Pub. L. 97-35, set out as an Effective Date note under section 61a of this title.

APPROPRIATION ACCOUNT

Effective July 1, 1935, the appropriation account for expenses provided for in this chapter was abolished by act June 26, 1934, ch. 756, §5, 48 Stat. 1228.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 15b of this title.

§ 56. Establishment of cotton standards; furnishing copies of established standards sold

The Secretary of Agriculture is authorized to establish from time to time standards for the classification of cotton by which its quality or value may be judged or determined for commercial purposes which shall be known as the official cotton standards of the United States. Any such standard or change or replacement thereof shall become effective only on and after a date specified in the order of the Secretary of Agriculture establishing the same, which date shall be not less than one year after the date of such order: *Provided*, That the official cotton standards established, effective August 1, 1923, under the United States Cotton Futures Act shall be at the same time the official cotton standards for the purpose of this chapter unless and until changed or replaced under this chapter. Whenever any standard or change or replacement thereof shall become effective under this chapter, it shall also, when so specified in the order of the Secretary of Agriculture, become effective for the purposes of the United States Cotton Futures Act and supersede any inconsistent standard established under said Act. Whenever the official cotton standards of the United States established under this chapter shall be represented by practical forms the Department of Agriculture shall furnish copies thereof, upon request, to any person, and the cost thereof, as determined by the Secretary of Agriculture, shall be paid by the person making the request. The Secretary of Agriculture may cause such copies to be certified under the seal of the Department of Agriculture and may attach such conditions to the purchase and use thereof, including provision for the inspection, condemnation, and exchange thereof by duly authorized representatives of the Department of Agriculture as he may find to be necessary to the proper application of the official cotton standards of the United States.

(Mar. 4, 1923, ch. 288, §6(a), formerly §6, 42 Stat. 1518; renumbered §6(a), Sept. 21, 1944, ch. 412, §401(b), 58 Stat. 738.)

REFERENCES IN TEXT

The United States Cotton Futures Act, referred to in text, is part A of act Aug. 11, 1916, ch. 313, 39 Stat. 476, as amended, which was repealed by section 4 of act Feb. 10, 1939, ch. 2, 53 Stat. 1. For complete classification of this Act to the Code prior to its repeal, see Tables.

CODIFICATION

Section is composed of the first five sentences of subsec. (a) of section 6 of act Mar. 4, 1923, as renumbered by section 401(b), of act Sept. 21, 1944. Last sentence of subsec. (a) of section 6 is classified to section 57 of this title. Subsec. (b) of section 6 is classified to section 57a of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 55, 57 of this title.

§ 57. Disposition of proceeds of sale of cotton and of copies of standards

Any moneys received from or in connection with the sale of cotton purchased for the preparation of the copies mentioned in section 56 of this title and condemned as unsuitable for such use or with the sale of such copies may be expended for the purchase of other cotton for such use.

(Mar. 4, 1923, ch. 288, §6(a), formerly §6, 42 Stat. 1518; renumbered §6(a), Sept. 21, 1944, ch. 412, §401(b), 58 Stat. 738.)

CODIFICATION

Section is composed of the last sentence of subsec. (a) of section 6 of act Mar. 4, 1923, as renumbered by section 401(b) of act Sept. 21, 1944. First five sentences of subsec. (a) of section 6 is classified to section 56 of this title. Subsec. (b) of section 6 is classified to section 57a of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 55 of this title.

§ 57a. Agreements with cotton associations, etc., in foreign countries to establish cotton standards

The Secretary of Agriculture is authorized to effectuate agreements with cotton associations, cotton exchanges, and other cotton organizations in foreign countries, for (1) the adoption, use, and observance of universal standards of cotton classification, (2) the arbitration or settlement of disputes with respect thereto, and (3) the preparation, distribution, inspection, and protection of the practical forms or copies thereof under such agreements.

(Mar. 4, 1923, ch. 288, §6(b), as added Sept. 21, 1944, ch. 412, title IV, §401(b), 58 Stat. 738.)

CODIFICATION

Section was enacted as subsec. (b) of section 6 of act Mar. 4, 1923, by act Sept. 21, 1944, §401(b). Subsec. (a) of section 6 is classified to sections 56 and 57 of this title.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 55 of this title.

§ 58. General inspection and sampling of cotton

In order to carry out the provisions of this chapter, the Secretary of Agriculture is authorized to cause the inspection, including the sampling, of any cotton involved in any transaction or shipment in commerce, wherever such cotton may be found, or of any cotton with respect to which a determination of the true classification is requested under section 54 of this title.

(Mar. 4, 1923, ch. 288, §7, 42 Stat. 1518.)

§ 59. Offenses in relation to cotton standards

It shall be unlawful for any person (a) with intent to deceive or defraud, to make, receive, use, or have in his possession any simulate or counterfeit practical form or copy of any standard or part thereof established under this chapter; or (b) without the written authority of the Secretary of Agriculture, to make, alter, tamper with, or in any respect change any practical form or copy of any standard established under

this chapter; or (c) to display or use any such practical form or copy after the Secretary of Agriculture shall have caused it to be condemned.

(Mar. 4, 1923, ch. 288, §8, 42 Stat. 1519.)

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 60 of this title.

§ 60. Penalties for violations

(a) Any person who shall knowingly violate any provision of sections 52 or 59 of this title, or (b) any person licensed under this chapter who, for the purposes of or in connection with any transaction or shipment in commerce, shall knowingly classify cotton improperly, or shall knowingly falsify or forge any certificate of classification, or shall accept money or other consideration, either directly or indirectly, for any neglect or improper performance of duty as such licensee, or (c) any person who shall knowingly influence improperly or attempt to influence improperly any person licensed under this chapter in the performance of his duties as such licensee relating to any transaction or shipment in commerce, or (d) any person who shall forcibly assault, resist, impede, or interfere with or influence improperly or attempt to influence improperly any person employed under this chapter in the performance of his duties, shall, upon conviction thereof, be deemed guilty of a misdemeanor and shall be fined not exceeding \$1,000, or imprisoned not exceeding six months, or both, in the discretion of the court.

(Mar. 4, 1923, ch. 288, §9, 42 Stat. 1519.)

§ 61. General regulations, investigations, tests, etc., by Secretary

For the purposes of this chapter the Secretary of Agriculture shall cause to be promulgated such regulations, may cause such investigations, tests, demonstrations, and publications to be made, including the investigation and determination of some practical method whereby repeated and unnecessary sampling and classification of cotton may be avoided, and may cooperate with any department or agency of the Government, any State, Territory, District, or possession, or department, agency, or political subdivision thereof, or any person, as he shall find to be necessary.

(Mar. 4, 1923, ch. 288, §10, 42 Stat. 1519.)

§ 61a. Annual review meetings with cotton industry representatives; purposes, etc.

The Secretary of Agriculture shall hold annual meetings with representatives of the cotton industry to review (1) activities and operations under the Cotton Standards Act [7 U.S.C. 51 et seq.], and the Cotton Statistics and Estimates Act [7 U.S.C. 471 et seq.], (2) activities and operations relating to cotton under the United States Warehouse Act [7 U.S.C. 241 et seq.], and (3) the effect of such activities and operations on prices received by producers and sales to domestic and foreign users, for the purpose of improving procedures for financing and administering such activities and operations for the benefit of the industry and the Government. Notwithstanding any other provision of law, the Sec-

retary shall take such action as may be necessary to insure that the universal cotton standards system and the licensing and inspection procedures for cotton warehouses are preserved and that the Government cotton classification system continues to operate so that the United States cotton crop is provided an official quality description.

(Pub. L. 97-35, title I, §156(d), Aug. 13, 1981, 95 Stat. 374.)

REFERENCES IN TEXT

The Cotton Standards Act, referred to in text, probably meaning the United States Cotton Standards Act, is act Mar. 4, 1923, ch. 288, 42 Stat. 1517, as amended, which is classified generally to this chapter. For complete classification of this Act to the Code, see section 51 of this title and Tables.

The Cotton Statistics and Estimates Act, referred to in text, is act Mar. 3, 1927, ch. 337, 44 Stat. 1372, as amended, which is classified generally to chapter 19 (§471 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 471 of this title and Tables.

The United States Warehouse Act, referred to in text, is part C of act Aug. 11, 1916, ch. 313, 39 Stat. 486, as amended, which is classified generally to chapter 10 (§241 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 241 of this title and Tables.

CODIFICATION

Section was enacted as part of the Omnibus Budget Reconciliation Act of 1981, and not as part of the United States Cotton Standards Act which comprises this chapter.

EFFECTIVE DATE

Section 156(e) of Pub. L. 97-35 provided that: "The provisions of this section [enacting this section, amending sections 15b, 55, and 473a of this title, and enacting provision set out as a note under section 473a of this title] shall become effective October 1, 1981."

§ 62. Definitions

Wherever used in this chapter, (a) the word "person" imports the plural or the singular, as the case demands, and includes an individual, a partnership, a corporation, or two or more persons having a joint or common interest; (b) the word "commerce" means commerce between any State or the District of Columbia and any place outside thereof, or between points within the same State or the District of Columbia but through any place outside thereof, or within the District of Columbia; and (c) the word "cotton" means cotton of any variety produced within the continental United States, including linters.

(Mar. 4, 1923, ch. 288, §11, 42 Stat. 1519.)

CODIFICATION

Section is composed of the first sentence of section 11 of act Mar. 4, 1923. The remainder of section 11 is contained in section 63 of this title.

§ 63. Liability of principal for act of agent

When construing and enforcing the provisions of this chapter, the act, omission, or failure of any agent, officer, or other person acting for or employed by any person, within the scope of his employment or office, shall in every case be deemed also the act, omission, or failure of such person as well as that of such agent, officer, or other person.

(Mar. 4, 1923, ch. 288, §11, 42 Stat. 1519.)

CODIFICATION

Section is composed of the second sentence of section 11 of act Mar. 4, 1923. The first sentence of section 11 is contained in section 62 of this title.

§ 64. Appropriation for expenses; appointment by Secretary of officers and agents; compensation

There are authorized to be appropriated out of any moneys in the Treasury not otherwise appropriated, such sums as may be necessary for carrying out the provisions of this chapter; and the Secretary of Agriculture is authorized, within the limits of such appropriations, to appoint, remove, and fix the compensations of such officers and employees, not in conflict with existing law, and make such expenditures for rent outside the District of Columbia, printing, telegrams, telephones, law books, books of reference, periodicals, furniture, stationery, office equipment, travel, and other supplies and expenses as shall be necessary to the administration of this chapter in the District of Columbia and elsewhere.

(Mar. 4, 1923, ch. 288, §12, 42 Stat. 1519.)

§ 65. Separability

If any provision of this chapter or the application thereof to any person or circumstances is held invalid, the validity of the remainder of the chapter and the application of such provision to other persons and circumstances shall not be affected thereby.

(Mar. 4, 1923, ch. 288, §13, 42 Stat. 1520.)

CHAPTER 3—GRAIN STANDARDS

Sec.

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| 71. | Short title. |
| 72, 73. | Omitted. |
| 74. | Congressional findings and declaration of policy. |
| 75. | Definitions. |
| 75a. | Repealed. |
| 75b. | Omitted. |
| 76. | Standards and procedures; establishment, amendment, and revocation. <ul style="list-style-type: none"> (a) Authority of Secretary. (b) Notice and opportunity for comment; standards regarding cleanliness of grain. (c) Grade determining factors related to physical soundness and purity; notice and opportunity for comment. (d) Moisture content criterion. |
| 77. | Official inspection and weighing requirements; waiver; supervision by representatives of Secretary. <ul style="list-style-type: none"> (a) Official samples and certificates; waiver; excepted grains. (b) Supervision by representatives of Secretary. (c) Testing for aflatoxin contamination of corn shipped in foreign commerce. |
| 78. | Use of official grade designations required; false or misleading grade designations for grain shipped out of the United States. |
| 79. | Official inspection. <ul style="list-style-type: none"> (a) Grain required to be officially inspected. (b) Inspections made pursuant to request of interested persons. |